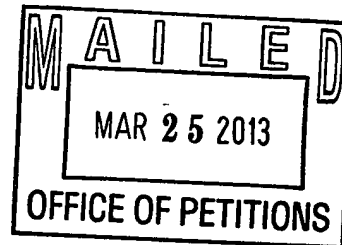




UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

BACON & THOMAS, PLLC
625 SLATERS LANE
FOURTH FLOOR
ALEXANDRIA VA 22314-1176



In re Patent No. 6,116,729	:	
Issued: September 12, 2000	:	DECISION ON PETITION
Application No. 09/376,842	:	
Filed: August 18, 1999	:	
Attorney Docket No. CARS2001/TJM	:	

This is a decision in response to the petition under 37 CFR 1.378(e), filed November 16, 2012, requesting reconsideration of a prior decision refusing to accept the delayed payment of a maintenance under 37 CFR 1.378(b) and reinstate the above-identified patent.

The petition is **dismissed**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. Extensions of this two-month time limit are not permitted under 37 CFR 1.136(a) or (b). No additional petition fee is required.

BACKGROUND

The patent issued September 12, 2000. The second maintenance fee could have been paid during the period from September 12, 2007 through March 12, 2008, or with a surcharge during the period from March 13, 2008 through September 12, 2008. Accordingly, this patent expired on September 13, 2008, for failure to timely remit the second maintenance fee.

On May 14, 2012, petitioner filed a petition under 37 CFR 1.378(b) requesting that the Office accept the unavoidably delayed payment of the maintenance fee due at 7.5 years for the above-identified patent pursuant to 37 CFR 1.378(b). On September 17, 2012, the Office mailed a decision dismissing the petition. On November 16, 2012, petitioner filed the present petition requesting reconsideration of the decision of September 17, 2012, refusing to accept the delayed payment of a maintenance under 37 CFR 1.378(b) and reinstate the above-identified patent. On November 27, 2012, petitioner filed a supplement to the present petition under 37 CFR 1.378(e), including the Declaration of Elizabeth Harris, a former employee of the law firm Bacon & Thomas during the relevant period in 2008.

STATUTE AND REGULATION

35 U.S.C. § 41(b) provides that:

The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$900.
- (2) 7 years and 6 months after grant, \$2,300.
- (3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period. The Director may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee. No fee may be established for maintaining a design or plant patent in force.

35 U.S.C. § 41(c)(1) provides that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(b) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee must include:

- (1) The required maintenance fee set forth in § 1.20(e) through (g);
- (2) The surcharge set forth in § 1.20(i)(1); and
- (3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of

the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

OPINION

The Director may accept the late payment of a maintenance fee if the delay is shown to the satisfaction of the Director to have been unavoidable. See 35 U.S.C. § 41(c)(1). Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of “unavoidable” delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word ‘unavoidable’ . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

Decisions on revival are made on a “case-by-case basis, taking all the facts and circumstances into account.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). A petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.” Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987). As language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (i.e., “unavoidable” delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. See Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom., Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)). See MPEP 711.03(c) for a general discussion of the “unavoidable” delay standard.

As 35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was “unavoidable” within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure

the timely payment of the maintenance fees for this patent. *Id.* Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or when the maintenance fees are due. It is solely the responsibility of the patentee to ensure that the maintenance fee is paid timely to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office.

DISCUSSION

In support of the petition, petitioner provided the Declarations of Ms. Chen, Thomas J. Moore, George Chen, J. Ernest Kenney, and Elizabeth Harris, as well as copies of documentary evidence referred to in their statements as Exhibits. In an effort to show unavoidable delay in payment of the maintenance fee, petitioner set forth the following facts:

In the present case, GEM Optical Co., Ltd. ("GEM Optical") was the owner of record of the '729 Patent on September 12, 2008, which was the last day to pay the 7.5 years maintenance fee with surcharge.

GEM Optical instructed Talents International Patent & Trademark Office of Taiwan ("Talents") to pay the 7.5 years maintenance fee. Talents had previously paid the 3.5 years maintenance fee at the instruction of GEM Optical. Thus, GEM Optical exercised the due care of a reasonably prudent person in selecting Talents.

Talents requested a cost estimate from Bacon & Thomas, PLLC of Alexandria, Virginia ("Bacon & Thomas"), for payment of the 7.5 years maintenance fee in an email on June 25, 2008. See paragraphs 3 and 4 of the Declaration of Ms. Chen. Bacon & Thomas has provided maintenance fee payment services since the U.S. patent law was amended to require maintenance fees. See paragraph 4 of the Declaration of Thomas J. Moore. Thus, Talents exercised the due care of a reasonable person in selecting Bacon & Thomas.

Bacon & Thomas prepared invoice no. 61038 for the payment of the 7.5 years maintenance fee, but made an error in the last two digits of the patent number. The invoice listed U.S. Patent No. 6,116,758 (referred to below as "the '758 Patent"). This invoice was sent to Ms. Chen by an email dated June 28, 2008. The correct patent number appears in the subject line of the email, but the erroneous patent number appears in the attached invoice.

Ms. Chen of Talents observed her correct reference number for the '729 Patent, but did not notice the error in the patent number. See paragraphs 6 and 7 of the Declaration of the Ms. Chen, and Exhibits T-2 and T-3 thereto. A copy of this email was also sent to George Chen of Bacon & Thomas, but he did not notice the error in the attached invoice. See paragraph 11 of the Declaration of George Chen.

Ms. Chen of Talents sent a "Notice of Remittance" letter to Bacon & Thomas by facsimile letter of August 21, 2008. See paragraph 8 of the Declaration of Ms. Chen and Exhibit T-4 thereto. This letter included the erroneous patent number but the correct Talents' reference number because Ms. Chen copied the erroneous patent number from invoice no. 61038. See paragraph 9 of the Declaration of Ms. Chen.

Bacon & Thomas paid the 7.5 years maintenance fee for the erroneous patent number. The documentation was prepared by Ms. Harris and reviewed by Attorney J. Ernest Kenney. See paragraphs 6 and 7 of the Declaration of J. Ernest Kenney. This payment was transmitted to the USPTO by letter of August 21, 2008. See Exhibit K-1 to his Declaration. Before signing this transmittal letter, Mr. Kenney compared it to the receipt card and the check shown in Exhibit K-2, and to Notice of Remittance from Talents shown as Exhibit K-3. The erroneous '758 Patent number appears in all of these documents, but the correct '729 Patent number does not. The maintenance fee deadline was the same for the '758 Patent and the '729 Patent, so the timing of instruction shortly before the deadline did not raise any question. Subsequently, Bacon & Thomas received the Maintenance Fee Statement from the USPTO acknowledging this payment of the 7.5 years maintenance fee for the '758 Patent. See paragraph 10 of the Declaration of Thomas J. Moore. At that time, the maintenance fee address for the '729 Patent was J.C. Patents Inc. of California, and they have no record of receiving from the USPTO a notice of expiration of the '729 Patent. See the Declaration of J.C. Patents Inc. that was filed with the original petition on May 14, 2012.

....

In the present case, the legal owner, GEM Optical, instructed Talents to pay the maintenance fee, and Talents instructed Bacon & Thomas. Bacon & Thomas acknowledged those instructions, but included an erroneous patent number in its invoice sent to Talents. Talents then incorporated this erroneous information into their transmission of payment to Bacon & Thomas. Bacon & Thomas reported the payment of the maintenance fee to Talents, and Talents reported the payment to GEM Optical. The present delay results from an error in the last two digits of the patent number, not a failure in communication.

Petition, 11/16/12, pp. 2-4.

In his Declaration, Thomas J. Moore, a registered patent attorney and member of the law firm of Bacon & Thomas, reveals that Bacon & Thomas never had a maintenance fee file for the subject '729 patent. Mr. Moore states that he reviewed the maintenance fee file of Bacon & Thomas for the '758 patent ("B&T '758 MF Folder"), a letter sized folder labeled "6116758 LIMI002" referring to the patent and

docket number. Mr. Moore indicates that the B&T '758 MF Folder contains the following items: (1) a facsimile of instructions dated October 16, 2003, from Jason Counselling Co., Ltd. of Taiwan ("Jason Counselling") stating that Bacon & Thomas should not pay the 3.5 year maintenance fee in the '758 patent; (2) an Acknowledgment of the instructions to drop the case and not pay the 3.5 year maintenance fee from Bacon & Thomas to Jason Counselling dated October 17, 2003; and, (3) a Maintenance Fee Statement from the USPTO received on March 9, 2004, indicating that that another party paid the 3.5 year maintenance fee for the '758 patent. Mr. Moore explains that the notation "DRP" at the upper right of the Maintenance Fee Statement reflects the previous instructions from Jason Counselling to drop the case for the '758 patent. Mr. Moore states that the B&T '758 MF Folder also contains: (1) the June 2008 email correspondences between Ms. Chen, Ms. Harris, and George Chan; (2) an internal copy of Invoice no. 61038 for payment of the 7.5 year maintenance fee; (3) a letter to Talents from Bacon & Thomas acknowledging their instructions to pay the 7.5 year maintenance fee; (4) the Notice of Remittance letter to Bacon & Thomas from Talents including two attached pages of Outward Remittance Application forms; (5) a copy of the receipt card and the check to the USPTO (before filing); (6) the letter to the USPTO transmitting the 7.5 year maintenance fee signed by Mr. Kenney and Ms. Harris; (7) the receipt card date-stamped by the USPTO (after filing); and, (7) a Maintenance Fee Statement from the USPTO reflecting the payment of the 7.5 years maintenance fee. As revealed by Mr. Moore, no B&T maintenance folder ever existed for the subject '729 patent, and all correspondence related to the intended payment of the 7.5 year maintenance fee for the '729 patent were placed in the B&T '758 MF Folder.

ANALYSIS

In determining if the delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. See California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219, 1259 (D. Del. 1995). Assuming, *arguendo*, that the patent owner was justified in relying on a third party to pay the maintenance fee, such reliance *per se* does not provide the patent owner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. § 41(c). California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219, 1259 (D. Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from the patent owner to whether the third party acted reasonably and prudently. Nevertheless, the patent owner is bound by any errors that may have been committed by the third party.

In this instance, the record shows that the delay in payment of the maintenance fee was due to Bacon & Thomas' identification of the incorrect '758 patent in both Invoice No. 61038 and the Acknowledgement form emailed to Talents, and Talents' reference to the Invoice and the '758 patent in the Notice of Remittance Letter. As a direct result, Bacon & Thomas paid the second maintenance fee for the incorrect '758 patent, instead of the '729 patent.

Petitioner is reminded that the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of an applicant, and the applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992). Specifically, delay caused by the actions or inactions of a voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133. Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130 (D. Ind. 1987) (“If that attorney somehow breached his duty of care to plaintiff, then plaintiff may have certain other remedies available to him against his attorney. He cannot, however, ask the court to overlook [that attorney’s] action or inaction with regard to the patent application”).

The Office further notes a showing of diligence in matters before the USPTO is essential to support a finding of unavoidable delay. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988) (applicant’s diligent inquiry into the status of the application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff’d*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant’s lack of diligence extending two and one half years overcame and superseded any omissions by his counsel). The issue is whether the maintenance or reinstatement of the patent was actually conducted with the care and diligence that is generally used and observed by prudent and careful persons in relation to their most important business. In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm’r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), *aff’d*, 143 USPQ 172 (D.C. Cir. 1963);

Here, the record fails to adequately evidence that the patent owner and its voluntary chosen representatives exercised the due care and diligence observed by prudent and careful persons in relation to their most important business, which is necessary to establish unavoidable delay. In this instance, the indication of the incorrect patent number initially by Bacon & Thomas and the continuation of that error by Talents went unnoticed by Ms. Chen, George Chen, Elizabeth Harris, and J. Ernest Kenney. However, this mistake may have been avoided by the exercise of due care and a careful review of the email communications. Furthermore, in an email dated June 27, 2008, Ms. Harris notified patent agent, George Chen, that Bacon & Thomas had “this case on file as drop per instruction for Jason Counselling” and asked if it should be transferred to Talents and paid. Although Ms. Harris indicated the ‘729 patent in the subject line, Ms. Harris is referring to the instruction from Jason Counselling with regard to dropping the ‘758 patent. In the present petition, George Chen did not explain why the varying instructions to pay and to drop the case, as well as the reference to two different clients did not prompt him to investigate the matter. Within 14 minutes of receiving Ms. Harris’ email, George Chen indicated that the matter should be transferred to Talents and to pay the maintenance fee upon receipt of prepayment. It is noted that these emails between Ms. Harris and George Chen occurred one day before Ms. Harris sent the email to Ms. Chen of Talents containing the correct patent number in the subject line but the incorrect patent number in the attached invoice on June 28, 2008. If George Chen had requested the Bacon & Thomas maintenance fee folder for ‘729 patent, he would have discovered that no such folder existed for the ‘729 patent. This act of diligence on the part of George Chen may have avoided the mistake that led to nonpayment of the maintenance fee.

Furthermore, Bacon & Thomas did not establish that it had a reasonably reliable system in place to ensure the timely payment of the maintenance fee in the '729 patent. Bacon & Thomas did not set forth the steps it takes when receiving an instruction to pay a maintenance fee. Bacon & Thomas did not explain why it never created a maintenance fee folder for the '729 patent or why no employee reviewing the B&T '758 MF Folder was alerted to the fact that it contained differing instructions regarding payment of the maintenance fee and correspondence from two different client, Jason Counselling and Talents. Moreover, the system does not appear to be reasonably reliable because Bacon & Thomas, through its oversight and actions, paid the second maintenance fee in the '758 patent contravening Jason Counselling's instructions to drop the case. A prudent and careful person acting in relation to his most important business would have taken steps to ensure that the correct patent number was identified in the instructions to pay the maintenance fee and confirm such payment was made in the intended patent. Thus, the inactions of Talents and Bacon & Thomas do not reflect the due care and diligence exercised by a prudent and careful person with respect to his most important business, and as such, does not demonstrate unavoidable delay within the meaning of 35 U.S.C. § 133.

At the time the second maintenance fell due, the patent was owned by GEM Optical. GEM Optical was ultimately responsible for timely payment of the second maintenance fee. Thus, GEM Optical is bound by the consequences of the acts and omissions of Talents and Bacon & Thomas, its voluntarily chosen representatives. Consequently, the assignee, Carson Optical, is bound by the delay resulting from GEM Optical and its representatives, including those business decisions, actions, or inactions which led to the failure to remit the maintenance fee. See Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667 (D.D.C. 1963). It is immaterial to the delay that Carson Optical would not have acquiesced to the actions or inactions of GEM Optical or its representatives that led to the expiration of the subject '729 patent. The fact that Carson Optical may have acted diligently is of no consequence and does not overcome the delay attributed to GEM Optical or its representatives, as Carson Optical did not own any interest in the patent when the maintenance fee was due. See Kim v. Quigg, 718 F. Supp. 1280, 12 USPQ2d 1604 (E.D. Va. 1989). As to the assurances of GEM Optical that the patent was in full force and effect, Carson Optical could have exercised its due diligence and confirmed the status of the patent via the USPTO's website. Nevertheless, the USPTO is not the proper forum for resolving any dispute between GEM Optical and Carson Optical.

DECISION

The Office has reconsidered the prior decision refusing to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) and reinstate the above-identified patent. For the reasons stated, petitioner has failed to show to the satisfaction of the Director that the delay in paying the maintenance fee for the above-identified patent was unavoidable within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3).

Petitioner should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fees and post expiration surcharge are refundable. The \$400.00 petition fee for seeking reconsideration is not refundable.

Any request for refund should be in writing to the following address:

Mail Stop 16
Director of the US Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

A copy of this decision should accompany petitioner's request.

Further correspondence with respect to this matter should be addressed as follows:

By mail:

Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX: (571) 273-8300
Attn: Office of Petitions

By hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

Registered users may also submit correspondence electronically via EFS-Web.

Inquiries concerning this matter may be directed to the undersigned at (571) 272-3211.

/Christina Tartera Donnell/

Christina Tartera Donnell
Senior Petitions Attorney
Office of Petitions

Conferee: Anthony Knight, Director
Office of Petitions/Petitions Officer